

cc Bill Woff - CONFIDENTIAL  
FIRE 1998/02 Plan.

10/14/02

# PM USA CORE STRATEGIES

Return Mr. Tompkins

## COMPETITIVENESS

We will effectively, profitably, and efficiently maximize Marlboro's share growth to grow our total share while building sustainable competitive advantage.

- GAP Management through Promotion
- Ultra Lights
- New Marlboro Product Concept
- Replacement Reward System
- Bar Program

We will protect existing OPB share and Basic share of discount without interfering with Marlboro's growth.

- Price GAP
- Defensive OPB Plans
- NEW PARLIAMENT Product and Plan
- Tactical Fighter Brand Development --

We will ensure a steady flow of successful new products/product technologies that meet regulatory requirements.

- 12 mg
- New Marlboro SKUs
- New Parliament
- New "Fill in" SKUs
- Applied Research Projects
- Non-conventional Products

We will align the distribution system's goals with ours to gain competitive advantage.

- Enhanced Retail and Wholesale Masters
- Non-self-service
- Metro Program
- Bar Coverage

Marlboro  
Labeling  
Marketing  
For Fire  
Plan  
promotions  
initial

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## COST

We will reinvent our business systems and redesign work processes to accomplish our business goals while maintaining our total cost per thousand as our volume changes.

- Eliminate Redundancies and Unproductive Work
- Reduce Head Count
- Install our Quality System
- Simplify our Manufacturing System
- Eliminate Unnecessary Assets/Inventories
- Consolidate/Streamline Merchandising Materials System

## CAPABILITY

We will attract, hire, and retain a highly motivated, performance-driven and proud work force that operates within the spirit of the agreement and achieves results we need.

- Define "Values" for the Future
- Behavioral Training
- Evaluation, Reward, and Recognition System
- Consistent, Ongoing, Broad-based Communication

## COMPLIANCE - Judy

We will design and implement a quality system that meets business needs and ensures regulatory compliance.

- Gap Analysis
- Training Program
- Implementation Plan
- Audit Plan

We will ensure our plans and programs offer society the opportunity to more positively view our company and our products.

- Establish Measures
- Senior Team Review Process

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